

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 ERDA-07 AID-05 CEA-01
CIAE-00 COME-00 EPG-02 DODE-00 FEAE-00 FPC-01
H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01
PM-05 USIA-15 OES-07 SP-02 SS-15 STR-04 TRSE-00
ACDA-10 /117 W

-----037376 221926Z /44

R 212100Z JUL 77

FM AMCONSUL VANCOUVER

TO SECSTATE WASHDC PRIORITY 3621

INFO AMEMBASSY OTTAWA

ZEN ALL CANADA CONGENS (POUCH)

UNCLAS SECTION 1 OF 2 VANCOUVER 00701

E.O. 11652: NA

TAGS: ENRG, CA

SUBJECT: ENERGY: WEST COAST OIL PORTS INQUIRY

REF: VANCOUVER 636

1. SUMMARY. FORMAL HEARINGS OF WEST COAST OIL PORTS INQUIRY
COMMENCED JULY 18 AND HEARD OPENING STATEMENTS OF INTERESTED PARTIES.
UPON COMPLETION OF STATEMENTS JULY 20, HEARINGS RECESSED UNTIL
SEPTEMBER 7. TRANS MOUNTAIN AND KITIMAT PROPOSALS WERE DESCRIBED
BY COMPANY REPS. CRITICISM WAS LEVELED OVER FACT THAT NORTHERN
TIER PIPE LINE COMPANY DECLINED TO PARTICIPATE IN INQUIRY AND THAT
ATLANTIC RICHFIELD HAS CHOSEN TO BE REPRESENTED ONLY BY ITS TRANS
MOUNTAIN PARTNER. IN TERMS OF SHEER NUMBERS, MOST HEARING PARTICIPANT
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FLATLY OPPOSED ANY WEST COAST OIL PORT DEVELOPMENT, EITHER IN B.C.
OR WASHINGTON STATE. IMPORTANT B.C. WILDLIFE FEDERATION, HOWEVER,
EXPRESSED RELUCTANT APPROVAL OF PORT ANGELES SITE, BUT NOTED THAT
INQUIRY WOULD HAVE MINOR VALUE UNLESS FEDERAL GOVERNMENT AND B.C.,
ONTARIO AND ALBERTA GOVERNMENTS FULLY PARTICIPATE AND PROVIDE POLICY
GUIDANCE. ONLY KITIMAT CITY AND REGIONAL GOVERNMENT SUPPORTED
KITIMAT SITE. END SUMMARY.

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WM DR. ANDREW THOMPSON, COMMISSIONER, FORMALLY OPENED THE FEDERAL
WEST COAST OIL PORTS INQUIRY ON JULY 18 AT VANCOUVER INTO PRIVATELY-
FINANCED PROPOSALS FOR AN OIL PORT TO HELP MEET BOTH CANADIAN AND
U.S. NEEDS FOR ALASKAN AND OVERSEAS CRUDE. THOMPSON DECLARED
THAT IT IS NOT HIS MANDATE TO PLAN AN ENERGY SYSTEM FOR THE WEST
COAST, BUT TO SYNTHESIZE THE IMMENSE BODY OF INFORMATION RELATIVE

TO OIL IMPORTATION AND TO GIVE CANADIANS AN OPPORTUNITY TO PARTICIPATE
IN THEIR GOVERNMENT'S DECISION-MAKING PROCESS. HE NOTED THAT MANY
IN BRITISH COLUMBIA PERCEIVE THE BENEFITS OF A PORT AND PIPELINE
AS FLOWING ENTIRELY TO AMERICANS AND CENTRAL CANADA WITH MOST
RISKS FALLING ON B.C. HE CALLED FOR A GENEROSITY OF MIND IN
ACHIEVING A FAIR BALANCE- FAIR BALANCE BETWEEN THESE UNEVENLY
DISTRIBUTED
BENEFITS AND RISKS. THOMPSON STATED THAT THE MOST IMPORTANT
ASPECT OF THE INQUIRY IS THE PROCESS ITSELF, BECAUSE THE STRENGTH
OF THE FINAL RECOMMENDATIONS WILL BE MEASURED BY THE EXTENT TO WHICH
THE PUBLIC CONSIDERS THE HEARINGS TO HAVE PROVIDED A FULL,
COMPLETE AND FAIR ASSESSMENT OF THE FACTS AND ISSUES.

3. NEARLY TWO DOZEN OPENING STATEMENTS, INCLUDING DESCRIPTIONS OF
THE MAJOR PROJECT PROPOSALS, WERE HEARD JULY 18-20, FOLLOWING
WHICH THE FORMAL HEARINGS WERE RECESSED UNTIL SEPTEMBER 7. ON THAT
DATE THE HEARINGS WILL RESUME WITH CONSIDERATION OF PHASE I WHICH
WILL PRESENT EVIDENCE ON EXISTING INTERNATIONAL, U.S. AND CANADIAN
STATUTES AND REGULATIONS GOVERNING THE CONSTRUCTION AND OPERATION
OF TANKERS AND MARINE TERMINALS. HEARINGS ON PHASES II-VI (WEST
COAST TANKER TRAFFIC, MARINE OPERATIONS, ENVIRONMENTAL IMPACTS,
FISHERIES IMPACTS AND SOCIO-ECONOMIC IMPACTS, RESPECTIVELY) WILL
FOLLOW, ALTHOUGH NO PRECISE TIMETABLE HAS YET BEEN ANNOUNCED. IN
THE INTERVENING WEEKS, DR. THOMPSON WILL HOLD A FEW SCATTERED WEST
COAST COMMUNITY HEARINGS AS MAY BE ARRANGED.
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RM TRANS MOUNTAIN PRESIDENT HALL DESCRIBED HIS FIRM'S ALTERNATING
REVERSAL PROPOSAL IN CONSIDERABLE DETAIL AND STATED THAT HE ALSO
WOULD ASSUME REPRESENTATION BEFORE THE INQUIRY FOR THE PROPOSAL'S
U.S. PARTNER, ATLANTIC RICHFIELD (ARCO). JACK CRESSEY, KITIMAT
PROJECT MANAGER, ALSO PRESENTED AN OPENING STATEMENT, NOTING THAT
WHILE THE KITIMAT CONSORTIUM NOW SUPPORTS TRANS MOUNTAIN'S PROPOSAL
KITIMAT IS A VIABLE ALTERNATIVE SHOULD A LOWER MAINLAND PORT SITE
NOT BE ACCEPTABLE FOR WHATEVER REASONS. HE PLEDGED TO MAKE AVAILABLE
ALL AVAILABLE STUDIES UNDERTAKEN BY KITIMAT AND TO PARTICIPATE IN
THE INQUIRY TO ANY REASONABLE EXTENT REQUESTED BY THE COMMISSIONER.
5. INQUIRY COUNSEL AND NUMBER OF OTHERS MAKING OPENING STATEMENTS
SHARPLY CRITICIZED ABSENCE OF REPRESENTATIVE FOR THE NORTHERN TIER
PIPE LINE COMPANY (PORT ANGELES PROPOSAL). COUNSEL STATED THAT
NORTHERN TIER HAD INFORMED THE INQUIRY ON JULY 12 THAT A REP WOULD
ATTEND, BUT ON JULY 15 CANCELLED OUT BY STATING THAT THE PORT
ANGELES PROPOSAL WAS NOT RELEVANT TO THE CANADIAN HEARINGS. ON
JULY 19, THE INQUIRY PRODUCED AN OUTSIDER, DR. WILLIAM BREWER
(UNIVERSITY OF WASHINGTON PROFESSOR AND DIRECTOR OF THE WASHINGTON
ENERGY RESEARCH CENTER). TO DESCRIBE THE NORTHERN TIER PROPOSAL
ON THE BASIS
THE BASIS OF INFORMATION AVAILABLE TO HIM IN PUBLIC RECORDS. MANY

SPEAKERS ALSO REGRETTED THE ABSENCE OF ARCO AND SOHIO SPOKESMEN AND ASKED THAT THEY NOW BE SPECIFICALLY INVITED AND URGED TO PARTICIPATE.

6. WITH

S OF RHETORIC, STRIDENCY, AND ANTI-AMERICANISM, THE FOLLOWING GROUPS VOICED STRONG OPPOSITION AT THE INQUIRY AGAINST ANY OIL PORT EITHER ON THE B.C. COAST OR IN WASHINGTON STATE: KITIMAT OIL COALITION, VOICE (KITIMAT, TERRACE AND PRINCE RUPERT LABOR COUNCILS), UNITED FISHERMEN AND ALLIED WORKERS UNION, HAIDA NATION, NISHGA TRIBAL COUNCIL, KITAMAAT BAND COUNCIL, UNION OF B.C. INDIAN CHIEFS, AND THE COALITION AGAINST SUPER TANKERS. THIS OPPOSITION GENERALLY QUESTIONS THE NEED FOR ADDITIONAL OIL SUPPLIES IN EITHER THE U.S. OR CANADA AND IS UNALTERABLY OPPOSED TO TANKER TRAFFIC ON ENVIRONMENTAL GROUNDS. MOST SEE THE U.S. AS THE VILLAIN AND THE GOC
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AS ITS WILLINGHAND-MAIDEN. THEY ALSO CRITICIZE THE TIME LIMITATION ON THE INQUIRY AND THE LEVEL OF GOVERNMENT FUNDING OF THEIR PARTICIPATION. THE INDIANS, IN ADDITION, DEMAND THAT THEIR CLAIMS BE SETTLED IN ADVANCE OF ANY PORT AND OIL PIPELINE DECISION AND CITE THE BERGER REPORT EXTENSIVELY. A STATEMENT WAS ALSO MADE BY THE COUNTY COMMISSIONER FOR CLALLAM COUNTY, WASHINGTON (PORT ANGELES) AGAINST ANY OIL PORT WITHIN THAT JURISDICTIONS BOUNDARIES. HE DAMNED THE NORTHERN TIER PIPE LINE COMPANY FOR ITS LACK OF COOPERATION AND EXO EXTENDED AN INVITATION TO THE INQUIRY TO HOLD A SESSION IN PORT ANGELES.

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7. REASONED, WELL-PREPARED AND WELL-PRESENTED STATEMENTS WERE MADE BY THE WASHINGTON STATE COALITION AGAINST OIL POLLUTIN AND BY THE B.C. WILDLIFE FEDERATION . BOTH STATED THAT THEY HAD RELUCTANTLY CONCLUDED THAT THE NEEDS OF B.C., THE PACIFIC NORTHWEST AND THE NORTHERN TIER STATES CAN BEST BE STISFIED BY A SINGLE TERMINAL (WITH A LINK-UP TO TRANS MOUNTAIN) AT OR WEST OF PORT ANGELES. THE WILDLIFE FEDERATION SPOKESMAN (DAVID ANDERSON, FORMER B.C. LIBERAL PARTY LEADER) ALSO SAID THAT GOC SHOULD PARTICIPATE FINANCIALLY IN BOTH THE PORT AND THE PIPELINE TO GUARANTEE ITS INTERNATIONAL COMMON CARRIER STATUS. ANDERSON MADE STRONG AGRUMENT THAT INQUIRY REPORT WILL BE OF MINOR VALUE WITHOUT THE ACTIVE POLICY PARTICIPATION OF THE FEDERAL DEPARTMENT OF ENERGY, MINES AND RESOURCES AND THE GOVERNMENTS OF B.C., ONTARIO AND ALBERTA. IN THIS REGARD, B.C. ATTORNEY GENERAL S REPRESENTATIVE SAID THE PROVINCIAL GOVERNMENT IS NOT ADOPTING ANY FORMAL POLICY POSITION AT THE INQUIRY PENDING ELUCIDATION OF SUCH POINTS AS THE CANADIAN NATIONAL POLICY REGARDING THE ALLOCATION OF ALBERTA CRUDE OIL. ANDERSON ALSO PORTRAYED THE WILDLIFE FEDERATION S POSITION AS COMPATIBLE WITH THAT OF WASHINGTON S SENATORS MAGNUSON AND JACKSON, THE WASHINGTON UNCLASSIFIED

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CONGRESSIONAL DELEGATION AND THE WASHINGTON STATE LEGISLATURE.
8. APART FROM OBVIOUS POSITIONS OF THE TRANS MOUNTAIN AND KITIMAT PROJECT REPS, ONLY SUPPORT FOR KITIMAT SITE CAME FROM COUNCIL OF DISTRICT OF KITIMAT. MAYOR THOM SAID THE DECISION WAS BY MAJORITY VOTE AND ON CONDITION OF ADEQUATE ENVIRONMENTAL SAFEGUARDS. KITIMAT-STIKINE REGIONAL DISTRICT GOVERNMENT EXPRESSED SIMILAR POSITION.
9. COPIES OF ALL AVAILABLE OPENING STATEMENTS BEING MAILED TO EUR/CAN AND EMBASSY. COMMENT FOLLOS BY SEPTTEL. LUPPI

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: OILS, PORTS
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
From: VANCOUVER
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770731/aaaabaur.tel
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Litigation Code IDs:
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Litigation History:
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Message ID: 4ac7ea65-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 VANCOUVER 636
Retention: 0
Review Action: RELEASED, APPROVED
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Review Date: 24-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1784544
Secure: OPEN
Status: NATIVE
Subject: ENERGY: WEST COAST OIL PORTS INQUIRY
TAGS: ENRG, CA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/4ac7ea65-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009